

# FISCAL NOTE

## SB 6

February 1, 2005

**SUMMARY OF BILL:** T.C.A. 67-5-1008 provides that properties that have achieved “greenbelt status” for property tax classification purposes, but whose size has been reduced below the 15-acre minimum as a result of an involuntary conversion to another use, are subject to rollback taxes if sold to a non-lineal descendant. This bill would eliminate the non-lineal descendant provision and provide a rollback tax exemption as long as the property continues to qualify for agricultural, forest, or open space use value classification.

### ESTIMATED FISCAL IMPACT:

**Decrease Local Govt. Revenues – Exceeds \$5,000**

Assumptions:

- An average rollback payment of \$745 based upon a random sample of five counties in each of the three grand divisions of the state.
- 149 properties which would qualify for the rollback tax exemption under the provisions of this bill.
- At least five percent of the qualifying properties would be sold in a given year.

### CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director